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RUEHCV/AMEMBASSY CARACAS 1892  
RUEHPE/AMEMBASSY LIMA 5881  
RUEHMN/AMEMBASSY MONTEVIDEO 4163  
RUEHQT/AMEMBASSY QUITO 2048  
RUEAIIA/CIA WASHDC  
RHEFDIA/DIA WASHDC  
RHEHNSC/NSC WASHDC  
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SUBJECT: CHILE MEDIA REPORT - DECEMBER 24

#### Lead Stories

1. The president of the Chilean Association of Municipalities issued a statement harshly critical of the Education Law, characterizing it as an impediment to improving education, primarily because of its rigid labor provisions. Relatedly, dailies highlighted the results of the recent national PSU college admissions tests, which revealed that the achievement levels of students in private schools greatly exceeded those of students in public and state-subsidized schools.

#### U.S.-Related News

2. The U.S. Government stated that the white powder detected in a suspicious envelope mailed to the U.S. Embassy in Santiago, apparently from Texas, tested negative and is an innocuous substance, similar to the powder that was found in envelopes received by 16 other U.S. diplomatic missions throughout the world. "They have all tested negative," said Department of State Deputy Spokesman Robert Wood (El Mercurio, conservative, influential newspaper-of-record, circ. 129,000, 12/24).

3. Twenty-five Chilean students who traveled to the United States in a program known as "Work and Travel," administered by Experience Corp., have been "abandoned" in Lafayette, Louisiana, and Lake Tahoe, California. A spokesman for the group said they did not obtain jobs and have contacted the company and the Chilean consulate without response (El Mercurio, 12/24).

4. The new patenting entity National Industrial Property Institute, Inapi, will begin operation on January 2, 2009. The institute will be completely autonomous and its launching will coincide with the Patent Cooperation Treaty (PCT) coming into effect. Inapi Director Cristobal Acevedo said that the United States must explain the parameters it is using to keep Chile on its Priority Watch List on industrial property since Chile "has taken noteworthy steps such as the PCT, Inapi, and the creation of a special unit for industrial property crimes, but still is depicted as a paradise for piracy, which is disproportionate" (Diario Financiero, business and financial, circ. 30,000, 12/24).

5. International commentator Andres Oppenheimer, in today's Mexican daily "Vanguardia," published an interview with Assistant Secretary of State Thomas Shannon, which carries an explicit message on OAS Secretary General Jose Miguel Insulza's intention to run in Chile's next presidential election. The general view, writes

Oppenheimer, is that the summit in Brazil and other recent summits have outshone the OAS. Shannon underscored the OAS's role in sending observer missions and human rights panels to several countries, but said the organization "has not done so well in the resolution of border conflicts, such as those between Colombia and Ecuador, or with internal crises, such as the one in Bolivia." Regarding Insulza's intention to become a presidential candidate, Shannon said, "being Secretary General of the OAS is a full-time job, and if there should come a time when a Secretary General feels he cannot be on the job full time, he must say so" (La Segunda, conservative, afternoon, circ. 33,000, 12/23).

16. Other Chilean papers also reported Assistant Secretary Shannon's remarks on the OAS Secretary General, which come amidst speculation on whether Insulza will be a presidential candidate. It is said to be the first time a diplomatic official has voiced criticism regarding Insulza's plans. In Chile there is awareness that the situation is becoming complicated for Insulza. However, Insulza's inner circle said that the U.S. Ambassador to the OAS, Hector Morales, had informed the Secretary General that Shannon's words were not intended as criticism and that the United States is well-satisfied with his performance.

17. The 25-year-old woman from the U.S. who died this past week in a Santiago apartment was named Andrea Scamihorn. She had taught English in Chile, and was preparing to return to the United States. A roommate found Ms. Scamihorn dead in the shower, with the water still running. Officials told Ms. Scamihorn's family they believe the death was caused by carbon monoxide leaking from the water heater. Fundraising efforts have been started to help the family cover the expenses of returning the body home to Indiana (www.thestarpress.com, 12/24).

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